



# Los Angeles County AUDIT COMMITTEE

Genie Chough, Chair  
3<sup>rd</sup> District  
Lori Glasgow, Vice-Chair  
5<sup>th</sup> District  
Louisa Ollague  
1<sup>st</sup> District  
Gerardo Pinedo  
2<sup>nd</sup> District  
Carl Gallucci  
4<sup>th</sup> District

## MEETING MINUTES October 18, 2007

Carl Gallucci called the meeting to order at 1:45 p.m. in Conference Room 525, Kenneth Hahn Hall of Administration.

### Committee Members Present

Louisa Ollague, First District  
Gerardo Pinedo, Second District  
Carl Gallucci, Fourth District  
Lori Glasgow, Fifth District

### Committee Members Absent

Genie Chough, Third District

### Others in Attendance

Maria Oms, Auditor Controller  
Jim Schneiderman, Auditor Controller  
Don Chadwick, Auditor Controller  
Carla Carr, Auditor Controller  
Lisa Nunez, Chief Executive Office (CEO)  
Vincent Amerson, CEO  
Loretto Maldonado, CEO  
Lee Millen, Board of Supervisors  
Juanita Smith, Board of Supervisors

### Approval of Minutes

On motion of Carl Gallucci, seconded by Lori Glasgow and unanimously carried, the minutes of September 20, 2007 were approved with the following correction:

**Page 2, Under Group Home Program Monitoring Report – Rosemary Children’s Services, Incorporated – Main Cottage, 500 House, Bonnie House, Green House and Romberger House Group Home (8/17/07):**

On motion of Genie Chough, seconded by Gerardo Pinedo and unanimously carried, the Committee received and ~~filed~~ **filed** this report.

### Old Business

Sunset Review of Board Policy 5.045 – Sheriff’s Department Law Enforcement Services Contracts Review Policy (7/17/07): **On motion of Louisa Ollague, seconded by Carl Gallucci and unanimously carried, the Committee approved continuing this item to its November 15, 2007, meeting.**

Sunset Review of Board Policies No. 5.010 – Community Business Enterprise (CBE) Program & 5.130 – Minority Women Owned Business Enterprise (MWBE) Program (9/04/07): **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Audit Plan for Fiscal Year 2007-2008: **On motion of Gerardo Pinedo, seconded by Lori Glasgow and unanimously carried, the Committee approved continuing this item to its November 15, 2007, meeting.**

CSS Management and Management Follow-up

**On motion of Gerardo Pinedo, seconded by Carl Gallucci and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

Board Policy Sunset Review – Policy 5.100 (11/29/06)

Vincent Amerson, Chief Executive Office (CEO), reported on Board Policy 5.100. Mr. Amerson advised that the CEO's Office reviewed the policy in November 2006 and did not recommend any substantive revisions to the Policy. The revisions included the effective date of March 2, 1999, and that it is not a six-month Interim Policy. County Counsel and Internal Services Department concurred with this recommendation. The Policy provides the Board with early notification of prospective large Sole Source Contracts in the amount of or greater than \$250,000 prior to contract negotiations. Additionally, the CEO's Office is recommending that the Policy remain as is to maintain the integrity of the County Contracting Program by requiring Departments to conduct a full scale assessment of all other options, before moving forward with Sole Source Contracts.

Mr. Amerson reported that the Audit Committee requested that the Auditor Controller's Office review the approval process for Departmental Sole Source Contracts. A report was provided in March 2007, and the Auditor concluded that the County had adequate oversight over Sole Source Contracts. It was further clarified that a County Department's justification for Sole Source Contracts over \$100,000, is first reviewed by a CEO Analyst prior to placement on the Board of Supervisor's agenda.

Louise Ollague requested that Mr. Amerson develop a Supplemental Analysis similar to the analysis that the Chief Information Office utilizes. For each Sole Source Contract a supplemental analysis would be attached to the memo or to the Board letter. Copies of the current Sole Source Checklist provided by ISD on their Contract and Purchasing website were distributed for the Committee's review.

In response to Gerardo Pinedo, Lisa Nunez, Deputy CEO, noted that the only analysis of Sole Source Contracts was conducted by the Chief Information Office (CIO) for the Register Recorder's Office; they were provided detailed criteria on what is required for Board approval.

In response to Carl Gallucci, Mr. Amerson agreed the CEO, upon Board of Supervisors instruction, could direct departments to provide the Audit Committee with a list of all Sole Source Contracts.

**On motion of Louisa Ollague, seconded by Carl Gallucci and unanimously carried, the Committee moved to amend 5.100 Sunset Review Policy to include the current Sole Source Contract checklist. The policy and checklist will accompany all Board letters regarding Sole Source Contract.**

**On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee moved to amend 5.100 Sunset Review Policy to request County Departments to provide the CEO's Office with a list of Non Purchase Orders between \$0-\$250,000 at the end of each Fiscal Year.**

**On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

Sheriff's Department Commissary Audit Follow-up (9/25/07): **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Department of Justice Settlement Agreement – July August 2007 Monitoring Results (9/27/07)  
Don Chadwick, Auditor Controller's Office, reported that the September report will be issued within the next two weeks, work is ongoing with the lead Department of Justice Project monitors (DOJPM's) who have made three additional recommendations (referred to as paragraphs) contained in the DOJ Settlement Agreement that indicate that the DOJPM's will be moving into formal monitoring. Positive feedback has been received to date.

Louisa Ollague thanked staff for providing the Auditor Controller Quality Assurance Unit Audit Chart.

**On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

Group Home Program Monitoring Report – Greene's Home For Boys, Incorporated – Greene's Home For Boys Group Home (10/2/07): Louisa Ollague inquired if the toilets had been replaced at Green's Home For Boys.

Carla Carr, Auditor Controller's Office, agreed to follow-up and report findings at the November 15, 2007 Audit Committee meeting.

**On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

Group Home Program Monitoring Report – Fields Comprehensive Youth Services – Eddington And Napa Group Homes (10/2/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Casa Editha Foundation, Incorporated – AVA-LYN'S Group Home (10/2/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Mozell Pennington’s Boys Center, Incorporated, Butler House Group Home (10/2/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Mary’s Shelter, House One and House two – Transition Group Home (10/2/07):

In response to Louisa Ollague, Carla Carr advised that although the report indicates “no findings”, the agency is forwarded a Certificate indicating an outstanding job. **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – H.V. Group Home, Incorporated (10/2/07)  
**On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Hope House, Incorporated – Hope House Group Home (10/2/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – McKinley Children’s Center – Main Campus Group Home (10/2/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Paragon Center, Incorporated – Paradise House Group Home (10/3/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

San Fernando Valley Community Mental Health Center Contract Review – A Department of Children and Family Services Wraparound Approach Services Program Provider (10/4/07)  
**On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Amanecer Community Counseling Services Contract Review – A Department of Children and Family Services Wraparound Approach Services Program Provider (10/4/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Healthview Inc. DBA Harbor View House Contract Compliance Review – A Department of Mental Health (DMH) service provider (10/4/07): **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

El Proyecto Del Barrio, Inc. Contract – A Department of Community and Senior Services Workforce Investment Act Program Provider (10/4/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Children's Bureau of Southern California Contract Compliance Review – A Department of Mental Health Service Provider (10/4/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Arbor Education & Training, LLC – East Los Angeles Employment and Business Center Contract – A Department of Community and Senior Services Workforce Investment Act Program Provider (10/4/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

South Bay Bright Future Foster Family Agency Contract Review – A Department of Children and Family Services Provider (10/4/07):

Louisa Ollague expressed concern that the South Bay Corrective Action Plan does not include a timeline.

Mr. Chadwick agreed to request a timeline from the agency and report back at the November 15, 2007 Audit Committee meeting. **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

Group Home Program Monitoring Report – Hart Community Homes, Incorporated – Prewitt and Brady Group Homes (10/4/07)

Louisa Ollague expressed concern that the Hart Community Homes, Incorporated – Prewitt and Brady Group Homes Corrective Action Plan, does not include a timeline. **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

Follow-up Review of County Counsel Litigation Cost Management (10/5/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Children's Group Home Ombudsman's Hotline Status Report – July 1 Through September 30, 2007 (10/5/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Department of Health Services Harris-Rodde Settlements – Average Length of Stay and Emergency Department Boarding Time Review for Quarter Ended June 2007 (10/9/07)  
**On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

West San Gabriel Valley Consortium dba Career Partners – El Monte Contract – A Department of Community and Senior Services Workforce Investment Act Program Provider (10/9/07)

In response to Louisa Ollague, Mr. Chadwick agreed to follow-up with the agency to determine if \$800.00 in over billing has been received, and report back at the November 15, 2007 Audit Committee meeting.

Further, Ms. Ollague advised that El Monte does not always obtain criminal record clearances of staff assigned to the County Contract, and there are existing "loop holes" in the contract.

Mr. Chadwick reported that the Department of Community and Senior Services is currently reviewing this requirement with County Counsel. Additionally, his office will follow-up with the Department and County Counsel to address contract "loop holes" and report back at the next Audit Committee meeting. **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

David and Margaret Foster Family Agency Contract Review – A Department of Children and Family Service Provider (10/10/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Department of Parks and Recreation Financial/Compliance Audits of Revenue Agreements (10/11/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Status Report – County Payroll/Personnel Risk Assessment and Audit Plan (Board Agenda Item No. 49-A, September 11, 2007) (10/11/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Gay and Lesbian Adolescent Social Services, Inc. Contract Compliance Review – A Mental Health Service Provider (10/4/07):

Don Chadwick reported that due to the agency's financial liability and outstanding loans staff will not delay a year for a follow-up review.

In response to Lori Glasgow, Mr. Chadwick agreed to provide the Audit Committee with a list of all monies received by this agency, for review at the November 15, 2007 Audit Committee meeting. **On motion of Louisa Ollague, seconded by Lori Glasgow and unanimously carried, the Committee approved continuing this item to its November 15, 2007 meeting.**

### **Public Comments**

Jim Schneiderman, Auditor Controller's Office, reported that there are questions on what the County should do in response to the interpretation of Federal Policy.

Lisa Nunez reported that staff has met with Sharon Harper, CEO's office, and it was agreed that since the Federal Government is in contact with the State it would be inappropriate for the County to make inquiries at the Federal level; however, contact with the State should ensue. Additionally, the State informed the CEO that IV-A has a policy on overpayment collections, and as such IV-A funding is not impacted.

Gerardo Pinedo requested that Ms. Nunez provide a Fact Sheet to the Audit Committee within the next few weeks that identifies strategies, to assist in briefing their respective Supervisors.

In response to Mr. Pinedo, Maria Oms, Auditor Controller's Office, advised that another issue that County Counsel raised was whether or not a matter could be discussed in Closed Session absent pending litigation.

Ms. Nunez agreed to brief William T Fujioka, CEO, prepare a Fact Sheet for the Audit Committee, and advised that the CEO will discuss this issue with the State.

### **Other Business**

Mr. Pinedo requested that the meeting packet be delivered a week before the Audit Committee meeting to allow for adequate review of Audit reports.

In response to Mr. Pinedo, Lee Millen, Deputy Secretary, advised that staff can submit reports, agenda, and minutes a week prior to the meeting, and a revised agenda can be hand carried to all Deputies on Tuesday the week of the meeting. This would give staff 72 hours to post the new meeting notice as well as capture all late agenda items that are frequently received.

Staff was directed to review the May minutes to confirm if Genie Chough was elected Chair on a permanent or temporary basis while Louise Ollague was on maternity leave.

### **Adjournment**

There being no further business to conduct, the meeting was adjourned at 2:37 p.m.